



IN GERMANY TO-DAY

A NEUTRAL

FROM THE TIMES

METHUEN & CO. LTD. 36 ESSEX STREET W.C. LONDON



PREFACE

THESE careful studies of life "In Germany To-day" were written for The Times in May and the early part of June by a neutral correspondent, whom long residence in Germany before the war, and close acquaintance with German conditions, had especially qualified for the task. They speak for themselves, and carry conviction by their moderate, impartial tone. They have been widely reproduced in the German Press; and the Cologne Gazette of June 15th (midday edition) appends the following comment to its summary of the writer's conclusions:—

"It is the more necessary to observe that the 'neutrality' of this observer is only superficial, and that it would be very misplaced for Germans to trust it, as they appear to have done, even in official circles, because the writer clearly unites keen insight into all our industrial and technical undertakings with an excellent knowledge of German conditions, habits, and means of communication."

Higher praise could scarcely be bestowed.

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IN GERMANY TO-DAY

I

A WHOLE PEOPLE AT WAR

Changes in the Army—Prepared for a Long War— Sources of Confidence

A T the frontier station our passports were closely scrutinized, and our belongings thoroughly examined. We ourselves were searched and subjected to a series of oral examinations by various officials. In the crowd were detectives waiting to note the slightest variations in the replies given to different questioners. We knew that these detectives had travelled with us and would mix with us in the train on our way into Germany.

The only striking feature of this examination was the joviality with which it was carried out. A new spirit seemed to have come over the erstwhile gruff and rough frontier officials. The men who examined us were all Landsturm soldiers from some South German district—elderly men, bigbearded, wearing strange old-time uniforms, and armed with old-pattern rifles. They behaved as though it gave them pleasure to pass us into the Fatherland when once the odious task imposed by superior authority had been satisfactorily performed.

"Well," I said to one official, "I suppose there will be no further difficulties in the way of travel, and that all the stories told abroad about lack of food and other difficulties in Germany are moonshine?" "Ach was!" he answered with a broad smile. "We have lots of food, the trains run to the minute, life goes on as usual, and we welcome strangers travelling on business, and even tourists. Don't believe the enemy's lies."

This first experience of Germany was to some extent typical of the situation as I saw it during the first weeks of my visit. The changed attitude of officials, both military and civilian, was most marked. It was particularly noticeable among the officers. The overbearing Prussian spirit seemed to have disappeared. Officers of all ranks behaved like ordinary beings. They mixed with their

men in an easy-going, friendly way which would formerly have been thought highly detrimental to discipline.

When alluding to this change in conversation with Germans, I was always told that the German Army is now a real people's army. The war, I was informed, has played havoc with the "parade elements." The Guards and other crack regiments have been badly mauled again and again by the enemy. The flower of the Junker officers have fallen, and, in their place, able men have been promoted without much regard for their previous rank. Even privates are said to have entered into the class formerly so circumscribed. Commissions have been given to a number of Jews. Besides, the depletion of the corps of professional officers has automatically given greater importance to the reserve officers, who are now the mainstay of the military organization. The whole personnel of the Army, officers and men alike, has changed. At many points of the front the formations are composed even of Ersatzreserves.

"Thus," a German friend explained to me, "we have now a class of officers composed of men who, less than a year ago, were barristers, teachers, engineers, and men of business, and the new soldiers are of the same quality. The military machine has acquired a somewhat different character. It is now the people who are at war—men taken from their families and all kinds of civil occupations, not merely young soldiers without strong family or civil ties, commanded by professional leaders forming an exclusive caste."

These changes and the earnestness of the moment have subdued the tone of Germany; but they have also-at least up to the present -had the effect of increasing the internal strength, the singleness of mind, the faith in the military power of the country. Those who have had no experience of compulsory service cannot perhaps understand the meaning of this change. I found the same subdued and gentler tone everywhere, in the towns as well as in the country districts. It was perhaps most evident in Berlin. Friends living there told me I should not notice much difference between the Berlin of to-day and Berlin before the war, except for the masses of soldiers passing through. They were mistaken, because they themselves were apparently unaware of the change. Outwardly, indeed, the capital tries to keep up its peace aspect. Though there are few taxi-cabs or motor vehicles, and though the old dilapidated *Droschken* have been revived and are dragged about by miserable horses, the streets are as lively as usual, the shops put a good face on things, the cafés and restaurants are well filled, the museums and art collections are open, and at night the lighting of the city is as bright as ever.

But behind this would-be brilliant veil the new spirit is everywhere noticeable. Berlin is not the boisterous, noisy, arrogant city I used to know. The parvenu gesture is not apparent. "The Get-rich-quick" atmosphere has departed. In its new attitude the German capital really evoked in me a stronger feeling of sympathy than ever before.

Yet the significance of the change should not be misunderstood. The subdued tone corresponds to a grim determination to continue the struggle to any length, to endure any sacrifices until the end. People long for peace, certainly, especially in business circles and among the working classes; but no one believes that peace will come soon, and there is no question of going back until—in a phrase which I heard again and again as a sort of watchword—"the safety of the Empire has been secured and the German

nation has vindicated its rightful position in the world."

When a German is asked how this is to be done, he simply points to the positions of the German armies, and says that where they are they mean to stay until their enemies are ready to make a peace honourable to Germany. At the same time I noticed a tendency to show some anxiety as to the final outcome whenever the days went by without official announcements of victory. The whole Empire is making so huge an effort, and is so straining its forces, that it seems continually to need the stimulus of good news-and the news, even when good, is manipulated in wonderful fashion. Still, passing waves of anxiety do not really affect, as yet, the general confidence in military power. Food is plentiful.. There was never any danger that Germany would be starved into submission. It may be that the foodstuffs which are not produced in the country may become scarce. Coffee and rice, for instance, are already running out, notwithstanding the large stores which were taken from Antwerp. But Germany is prepared for this contingency.

The effort to make the country self-supporting was never more intense or extensive

than it now is. In the rural districts, now swept clear of men of military age, the women, young and old, have taken their places, and are helped by old men and boys. Most of the horses have been requisitioned, and are replaced by oxen and cows. Similarly the supply of soldiers remains abundant. This year's class of recruits, which would, in the ordinary course, have been enrolled next November, has just been called out. I saw numbers of them followed to the railway-stations by their parents and other relatives, marching to the music of schoolboy bands and departing with songs and apparent gladness. The boys from the higher classes of the schools are being trained voluntarily all over the country. In the garrison towns there are more soldiers than in time of peace. In a small residential town in the south, the peace garrison of 1,500 had been increased to 6,000; and I noticed a similar proportion in other places. The Landsturm has not yet been called upon for any military service proper.

These things must be realized if the military position and the confidence of the German people are to be understood. The military resources of Germany are still enormous. The confidence of the people is not, however,

based upon any expectation of great and decisive victories, such as were hoped for at the beginning of the war. It is thought that Warsaw may possibly fall, but the Eastern front is not now attracting the same attention as formerly.

Germany is looking to the West. If the worst comes to the worst, she thinks that it may be enough to hold her present Western front and to let other factors work, especially submarines and Zeppelins. It is fondly imagined that the submarines have stopped British oversea trade. Hence the explosion of joy on the sinking of the Lusitania. It is significant of the German lack of insight into the minds of other people that no one to whom I spoke seemed to conceive the possibility that the Lusitania outrage could have other than good consequences for Germany. Most people are convinced that there are no regular sailings to England, and that it is sheer madness to attempt to trade with her.

II

POPULAR HEROES

The Source of Confidence-Weddigen and the Kaiser

GERMANY is given over to hero-worship. Popular heroes stare you in the face wherever you go. Next to the Iron Cross, the names and portraits of Hindenburg and Weddigen are idolized. Their names were unknown to most people before the war. Now there is something sacred about them.

Hindenburg stands alone in the foreground. He it was who saved the country when the Russian danger seemed so imminent that even Berlin trembled. The stream of refugees from East Prussia had given the capital a severe shock. Another shock was felt when, after the German retreat from Warsaw, the Russians approached the Silesian fontier, and the inhabitants of the easternmost Silesian towns began to flee westward. It is therefore easy to understand the deep

gratitude of the people to Hindenburg, as well as their admiration of his daring blows.

The popular account of Hindenburg's appointment is worth recording. During his active career he had made a special study of the defensive strategy of the East Prussian position. At the last great manœuvres in East Prussia he used his knowledge so successfully against the War Lord himself that he incurred the Imperial displeasure. Consequently, he retired. But when the Russians began to advance farther and farther into East Prussia, invested Königsberg, the old royal city, approached the Vistula, and caused increasing alarm in Berlin, the Kaiser bethought him of Hindenburg's prowess. One day the General Commanding the German forces in East Prussia telegraphed to headquarters that he was obliged to retire across the Vistula. The Kaiser replied. "Retire across the Vistula yourself, but leave your troops on the other side." Then Hindenburg was persuaded to take over the command.

"Our Hindenburg" he is commonly called. Perhaps it is he who inspires that absolute confidence in the military positio which pervades the country. In moments of crisis, when people are craving for a great

leader, one strong man may gain extraordinary ascendancy over the masses. Whenever I sought to analyse the reasons for the German spirit of confidence, I came in the last resort upon the name of Hindenburg.

Legends are being woven around his person. Scores of books have been written about him. His life is minutely described. The poets sing his praise. There are volumes of Hindenburg anecdotes and Hindenburg sayings. He is the idol of German women, who deluge him with letters and presents; and every kind of association, down to the schoolboys' gymnastic clubs, has appointed him an honorary member. In a Frankfurt beer hall I even found a picture of him on the discs of cardboard which are placed under the beer-mugs. It represented him as smiting the Russian bear on the head with such force that blood spurted out in all directions.

Every German home has, of course, its Hindenburg picture. Miniature statues of Hindenburg are sold by thousands. I first realized his popularity when standing before a large shop window in one of the main streets of Hamburg. The window contained figures of the most prominent contemporary Germans in various sizes, which

were graduated so as to indicate their relative positions in popular esteem. In the centre stood Hindenburg alone, commanding, dominating, wrapped in his military cloak. In front of him stood the Kaiser, about a quarter the size of the popular general. Before the Kaiser were a number of other princes and generals—von Kluck, von Mackensen, von Einem, and Weddigen. Far away among the lesser lights was placed the Crown Prince. In ordinary times the shopkecper would probably have incurred prosecution for *lèse-majesté* had he placed the Kaiser in a position so subordinate.

The fame of Weddigen is of a different quality. His name touches a deep romantic feeling. Even more than the exploits of the *Emden*, the deeds of his small submarine craft stand for the vindication of German sea power against an overwhelming foe. He personifies ruthless warfare against Britannia, who "rules the waves." In the worship of Weddigen is concentrated all the wrath of Germany against England for having swept German shipping from the seas of the world, and all the hopes which the Fatherland cherishes that it may presently, after a war of attrition, be able to deal crushing blows at British maritime power. Weddigen stands

for German inventive genius, for German belief in organization, and for the spirit of self-sacrifice among German citizens. I found pictures of Weddigen, with flags commemorating his attacks upon British battleships and celebrating his heroic death for his country, in the most distant parts of Germany, even in the houses of Black Forest peasants and in the Bavarian Alps, where no interest in German naval aspirations had ever been felt.

A subtle change has occurred in the position of the Kaiser. Though he has, in a sense, fallen into the background as compared with Hindenburg and Weddigen, it is certain that he has never been so universally popular in Germany as he is to-day. No one makes him responsible for the war. All classes of his subjects believe that he tried to the last to prevent it. When, despite his efforts, it was brought on by the determination of the foe to crush the military power of Germany in order to annihilate her trade and industry, the Kaiser shouldered the heavy burden in deepest sorrow, and has since sacrificed all his personal interests for the country. He has willingly accepted a subordinate position in order to give free play to the strong men whose ability is able to command victory. He is regarded as having set an example in simple living and in the prevention of waste. He is said to have shown the utmost regard for the susceptibilities of the various federal sovereigns and their peoples. Thus he has gained a great hold upon the affections of the Bavarians and Saxons, among whom he was formerly almost unpopular. He is represented as having given to Hindenburg a completely free hand, and as having waived every consideration that might have militated against practical efficiency in the waging of the war.

The story of the Crown Prince is very different. He, who was at first hailed as the great military leader, whose victories were extolled, and who was acclaimed in every popular celebration of triumph, has gradually faded out of sight. Interest in his doings has waned; the Press no longer covers him with praise, and poets celebrate him no more. He is scarcely ever mentioned in public. People know vaguely that he is somewhere in the neighbourhood of Verdun. Stories of all kinds are whispered about him, stories of the scandalous sort which circulate most freely when the personages whom they concern are most inaccessible. These stories sometimes reappear

in the Press of enemy countries, which repeats them with incomprehensible credulity.

There are doubtless good reasons why the Crown Prince is no longer as conspicuous as when he was the darling of the war party; but there is little proof that the wild tales told of him are true. He did not come to Berlin for the birth or the christening of his daughter, and was scarcely mentioned even on those occasions. Nevertheless, the illustrated papers sought to reassure the public by reproducing a photograph of him standing on the balcony of his headquarters "somewhere in France." By his side stood his uncle, Prince Henry, who is known to have visited the Crown Prince at that moment.

Like the Crown Prince, the Emperor's other sons no longer enjoy the prominent publicity given to them during the first phase of the war. The struggle has become a struggle in which mere rank and position count for nothing. Popular favour is now accorded only to energy, proved capacity, power of organization, endurance, and sacrifice.

III

SUPPLIES OF RAW MATERIAL

National Unity-Raw Materials-Hatred of Italy

I HAD an introduction to a well-known professor in a small university town. My object in procuring it was to ask him about the general German conception of the war, the state of mind of the people, and its social effects—all matters belonging to his special branch of study. He, I thought, would tell me the truth, because I knew that he has kept his mental balance all through, and has not repudiated his long connection with English scientific men and English thought.

The view now generally taken by the educated classes, he said, is that this is a preventive war—that is to say, a war which would in any case have broken out in two or three years' time, when Germany would not have been, comparatively, in so strong a position as she now is. The masses, on

the other hand, still hold to the belief, and do firmly believe, that Germany was attacked on three sides, and that England was the real instigator of the attack. The aim of England, they are convinced, was to destroy the power of Germany in order to crush her trade and industry and to get rid of a rival whom she hated and feared.

This belief, added the professor, has been so instilled into the minds of the people that, as far as can be foreseen, nothing will alter their conviction. The authorities appreciate the importance of maintaining this belief, and to this end they manipulate and censor the Press to a degree never before known. Some of the larger German newspapers now publish the official communiqués of the enemy, and are allowed to do so because nobody except a few steptics puts any faith in them. No doubt many people see through the ridiculous stories and assertions published in the German Press, and disapprove of them, as also of the abuse showered upon the enemy by a large number of serious and comic periodicals. But the masses make no such reservations. Everything unfavourable to Germany-and also to Austria, who is, however, little talked ofis put down as a "lie."

The more I travelled the more accurate did I find the professor's statement to be. The unanimity of popular belief has made it possible to weld the German Empire more closely together than ever before. There is a unity of strength and of purpose, a readiness to bear sacrifice and to retrench in every direction, a willingness to give help wherever it may be needed, that opponents would do well to remember and to imitate. How often did I hear the exclamation that this or that expense could not be incurred, or that this or that luxury must be dispensed with, "because it is war-time." I am not referring to the exceptions, the luxurious restaurants in Berlin, Dresden, Munich, or other cities, where little self-sacrifice is to be seen. But, speaking broadly, there is no waste anywhere. Everything is economized. Even refuse is ransacked by volunteers to find fodder, bread, and potatoes that may possibly be turned to account for human food. Mourning and sorrow are hidden. Everywhere love and care for the soldiers are displayed.

The weakest spot in the economy of Germany is evidently in her industrial and commercial situation. The greatest efforts are made to keep up the work of produc-

tion and distribution. While the small towns and the agricultural districts are depleted of young men, large numbers of able-bodied men of military age are to be seen in the big towns and industrial districts. They are allowed by the military authorities to follow their callings as civilians whenever their work is of importance in industry or trade. Thus business is kept going, though of course with a greatly reduced personnel. One merchant told me that he carried on his business with five clerks instead of between fifty and sixty. This reduction naturally gives an idea of the losses which German business men must be suffering.

Despite all these efforts, and notwithstanding the efficiency of German organization, it is undoubtedly true that important raw materials are becoming increasingly scarce. Thus the textile industry of the Chemnitz district is affected by lack of cotton, and the electrical industry by the deficiency of copper and other metals. As far as I could ascertain, there is no real lack of copper or other metal for the manufacture of ammunition. There are considerable stocks for that purpose in the country.

It was not until quite recently that the military authorities ordered an inventory to

be made of all the supplies of copper, zinc, and other metals used for ammunition. The inventory included even etching-plates and plates for visiting-cards and notepaperin short, copper in any form. intimated that these objects must not be sold without authority, but that they could be kept and used pending requisition by the military authorities. The measure was chiefly precautionary, as were the bread regulations, which were issued primarily to check speculation and to keep prices down, although they were afterwards turned to account against England's "starvation policy " in the hope of arousing compassion among neutrals.

A famine of raw material cannot fail deeply to affect Germany, however independent and self-supporting she may be able to make herself in regard to foodstuffs. The great German industries will not improbably be reduced to a condition like that of Hamburg, which is to-day a dead city, in comparison with its former activity. The country is now absorbing and consuming the stored wealth of commodities that cannot be replaced, while production is gradually slackening except as regards materials which are used and destroyed in military opera-

Even among manufacturers and tions. business, men who regarded the military situation with complacency I found a perception that a great danger is impending which no paper money and no system of home credit can possibly avert.

This was my strongest impression during the last week of my stay in Germany. When the Italian question became acute the uppermost feeling of Germans in official and business circles was not so much apprehension in regard to Italy's military power as fear of the economic and industrial isolation which the intervention of Italy would cause. Officers of high rank assured me that all military contingencies had long been foreseen: but business men understand that. through Italy, Germany has had access to many neutral sources of supply, especially in the two Americas. The possibility of Rumanian intervention inspired similar misgivings. Everywhere I found the palatial offices of the Hamburg-Amerika Line and of the North-German Lloyd reorganized as agencies for Italian shipping companies. With the intervention of Italy the Germans feel that this door-practically the last-will be closed

As usual, the Press was kept well in hand,

so that its language might not imperil the diplomatic situation. Some journals were even confiscated for writing strongly against Italy. But in private conversation wrath found expression in the most violent language. I heard hard words used against England, and in some cases the "doctrine of hate" was still preached from the pulpit. But I heard nothing comparable with the unmeasured language used against Italy.

In this atmosphere I left Germany, together with a number of Italians who filled the train and were hurrying homewards. On the way we met trainloads of Germans coming from Italy. The southern frontier guards were not only strict in the examination of passports and luggage, but were almost brutal. The Italians were kept back for still stricter examination, and were exposed to continual invective from the officer in command.

Between my jovial entry into Germany and this somewhat exciting exit lay the joyous days of the "crushing" victory in the Carpathians, and of the "great victories" at Ypres and elsewhere in the West. My visit ended amid the Italian crisis. Four historic weeks!

IV

WHAT THE WORKMEN THINK

Silencing Criticism—Pride in the War—No Strikes
—German Women and Peace

WHAT do the working people of Germany think of the war? I have heard this question asked a hundred times in countries outside Germany, but rarely or never in the German Empire itself. It is hard to get, and still harder to give, a true view of the present position of the German working classes. As it is utterly different from anything within the experience of the British peoples, I must appeal for some patience and attention in trying to explain it.

Just as in Germany those who manipulate public opinion make the most of the dissensions within the English Labour Party in order to foster belief in the internal weakness of England, so the British public has been inclined to attach too much importance

to the anti-war influences that are believed to exist in the German Labour world. Politically there is in Germany a well-known cleavage of opinion; but it is rarely allowed to show itself on the surface. It is true that the peace section in the German Social Democratic Party is numerically stronger than published accounts make it appear. When at the beginning of the war the Socialist representatives accepted responsibility for the war by passing the Budget, 69 members voted for and 30 against it. A proposal to attach to the vote a declaration that it was not to be regarded as a vote of confidence in the Government or a precedent for the future was rejected by 60 votes to 34. This minority seems considerable. But, later on, some of the most prominent Socialist members of the Reichstag became active war propagandists at home and abroad. As far as can be judged from conversations which I had with several leaders, the dissentient minority has now been reduced to a vanishing point by means more or less forcible

The case of Dr. Liebknecht, who has been silenced, is typical. Similarly, those Socialist newspapers that have essayed any real criticism have been severely handled,

and have disappeared one after another. Attacks are being made with growing insistence against the central party organ, the Vorwärts, which, almost alone German journals, has striven to retain a judicial attitude, and to continue, albeit with the utmost care, its critical function. The attacks come from leading men inside the party, and are inspired by dissatisfaction with the attitude of the Vorwarts, which is considered "unpatriotic." They aim at the dethronement of the editorial staff. Pressure is thus being put on the Vorwärts to conform its attitude to the same rule of monotonous praise and confidence that is observed by other journals. The confident talk of a great political and social reconstruction of the community, as a concession to the working classes after the war, has died away, and the promises of liberty, freely made at the outset, have faded into oblivion.

These facts seem to indicate a retrograde process among the masses as regards any active opposition to the war. But it must be remembered that an increasing number of working men have been absorbed in the actual struggle. Practically the whole male working population from the age of 19¹/₉ to 60 is now doing compulsory service for war purposes. If the men are not with the armies in the field, they are in the factories, where munitions and other necessaries of war are turned out. Little experience of German life and thought is requisite to make it clear that the working man in uniform, or under military discipline, is a very different being from the working man at political meetings or in his party conventicles. This difference is fundamental. Moreover, the overwhelming majority of working men now believe that the war is a struggle for the existence of their country, for their hearths and homes, and a struggle into which Germany was compelled to enter against her will.

In private conversation, it is true, I found among working men traces of criticism, scepticism, desire for peace, and even of pessimism. But their mood easily swung round to one of admiration for Germany's military prowess and for the soldiers in the field, who are their brothers, relations, or friends. Their confidence in the strength of the nation and in ultimate victory seemed to me unshaken. They proudly showed me letters from the front which told of life in the trenches, of dangers escaped, and of heroic deeds.

They spoke eagerly of the distinction won by this or that relative or friend who had received the Iron Cross or had been promoted. When I mentioned Belgium and the accusations against the conduct of German troops, the possibility of isolated outrages was readily admitted, but I was also told stories of franc-tircurs and of atrocities committed by the enemy. Generally, I found the official and semi-official versions of things blindly accepted. Were not the soldiers mostly men of their own class, and how were they to believe that those men would, in cold blood, perpetrate barbarities? As for the use of the enemy's country and property to support the population of Germany, that was surely just in a war which Germany did not provoke, and which had cost sacrifices so terrible!

This state of mind prevailed among the working classes in every industrial district I visited, from the Saxon textile region to the huge agglomeration of industrial communities in Westphalia, where war supplies are poured out beneath the thick cloud of smoke which now never lifts. With such a spirit permeating the great mass of the working classes, and with the prevention by military discipline of all serious propaganda adverse to the war, there can be no prospect, as far as it is possible to judge at present, of any attempt to break up the solidity of the nation as a war machine. The German people have never shown any spontaneous revolutionary spirit. Overwhelming reverses might possibly—though even this is very problematical—set free internal forces strong enough to imperil the present organization of the State.

Economically, the field of action for the German working classes is somewhat wider, but here also the war and its demands keep activity within strict bounds. There are movements among munition workers for better pay on account of the increased cost of living. The workmen point to the huge profits made by war industries-profits of which they get no share. But I heard of no strikes. Evidently no strikes are permitted. There are means of settling disputes without troubling the public. Men employed in war work are sharply controlled; and if they leave one employer without having a certificate from him that they have left with his consent, they will not find employment elsewhere.

One of the most prominent features of the German industrial world to-day is the increasing number of women who take the places of men. As it is with agriculture, so it is with industry. In this way the armies in the field can be further strengthened without endangering the efficiency of the war industries. than half a million women are, I was assured, already at work in munition factories. Everywhere in the industrial districts where women are employed homes for children have been organized. To these homes mothers whose husbands are at the front send their children to be cared for. At Cologne alone there are already about a hundred such homes. The cost, and that of other devices for helping the working classes, is considerable. It falls on local authorities. At Düsseldorf, for instance, it amounts to about £550,000. But the spirit of sacrifice is so potent among the working classes, as among the other classes of the community, that few complaints are heard, and those which are made are directed less against the leaders of the nation, or against those who conduct the war, than against the private, and especially the agrarian, interests which are believed to have forced up the prices of the necessaries of life.

On this subject public meetings are allowed to be held, and comparatively free discussion is permitted. I attended one such meeting at Frankfurt, where the well-known member of the Reichstag, Dr. Quarck, trenchantly criticized the usury in foodstuffs and demanded still stronger measures from the Government to combat it. This meeting asked for the organization of a Central Office for the purchase and distribution of food throughout the Empire, the creation of a potato and meat monopoly, and the distribution of those commodities in accordance with the regulations for the distribution of bread.

It is natural that, behind the determination to defend the country to the utmost, there should be among the working classes, upon whom the war presses most heavily, a strong and earnest longing for peace. There is real patriotism and little Chauvinism among those classes, and the idea of an honourable peace is not coupled with a claim for fresh territory, at any rate in the West. But even the women, who suffer most, reject all thought of a humiliating peace. The courageous, self-sacrificing way in which the German women carry their growing load of sorrow and

work was what impressed me most deeply in the working-class world. The German housewife is able to bring the cost of living down to a minimum which, I am afraid, the English housewife does not think possible. In this time of crisis the German woman steps into the man's place to a remarkable extent; and in the German Empire there are 20,000,000 women above the age of eighteen!

V

A HYPNOTIC ATMOSPHERE

The Work of the Press-The "News" Machine

THEN I entered Germany I believed myself able to take a detached view of the war. Careful study of the different official communiqués had, I imagined, enabled me to get at the truth in its essential features. Nothing, I was convinced, could influence my deliberately formed estimate of the relative value of the information officially and semi-officially disseminated from the various belligerent countries. Constant reading of all the large newspapers published in belligerent and neutral States had made me confident of my ability to distinguish the realities behind news and opinions, and had made me proof against "atmosphere." After a month in Germany I found I was mistaken.

It was a remarkable experience. Before many days had passed I made the disagree-

able discovery that I was being influenced by the German war atmosphere. The confidence of the people in the invincibility of their armies, the smooth working of the State machine that seemed to leave nothing to chance, the determination everywhere noticeable beneath the subdued expressions of feeling, the daily outpourings of the Press, the contemporary literature -everything, in short, combined to entice me into a different mood. This strange influence grew stronger as the weeks went by. My previous conceptions of war news, of positions and conditions along the fronts and behind them, and of the general outlook for the future underwent a perceptible change. I began to understand the workings of the German mind, which had before seemed mysterious to me. It became possible to gauge the soul of the people and to comprehend to some extent their confidence, their outward unanimity, their spirit of self-sacrifice, and their faith in their leaders.

The chief agency in the creation of this state of mind, apart from the direct influence of the thorough military organization of the State, is the shrewd management of the Press. It will be remembered that, on the outbreak of war, the whole German Press was turned against England overnight.

Twenty-four hours after having praised the vigorous efforts of Great Britain to prevent war, it denounced Sir Edward Grey as the moving spirit in a conspiracy to assail Germany. None but distorted views from abroad were allowed to be published. The German people were told only what it was desired they should believe. All unfavourable information was treated as "lies," and a thoroughly organized Press campaign was carried on in neutral countries in the same sense. The "neutral" opinions thus inspired were reproduced in Germany as evidence that impartial foreign opinion supported the German view.

By these means the war-mind of the German people was created and fashioned. The process still goes on, though, as I have before remarked, the French, Russian, and British communiqués are now regularly printed in the larger newspapers, and are frequently criticized in the communications from the German Headquarters Staff. But foreign reports have no influence whatever upon the German mind. The Germans are so convinced of the accuracy of their own official versions that no other reports count.

It is the same with enemy newspapers. In

the Victoria Café at Berlin, I was able to read, day by day, the French, Italian, German, and neutral journals. They were also to be bought in the newspaper kiosks of the large towns. No remarks were made when I asked for them, but I noticed a pitying smile on German faces whenever they saw others read them.

It is not the big papers of international repute that exercise the greatest influence in Germany. In the smaller towns and agricultural districts it is the local Press that In that Press none but German reports are to be found, with German explanations and German accusations against enemy countries. No attack upon the enemy is too gross for this Press to reproduce, and nothing in Germany's favour is too absurd for its readers to swallow. Not only is the victorious progress of the German, Austrian, and Turkish armies constantly celebrated, but the financial, industrial, and social conditions in Germany are declared to be far superior to those existing elsewhere. Dissensions between the Powers of the Entente are reported, and disturbances among their peoples are invented and dwelt upon.

Every scrap of news that can be turned to account in this direction is magnified, dis-

torted, and supplied from central agencies to thousands of local papers. Leading articles are supplied in the same way. Moreover, the German Headquarters' report is posted up every day at 4 p.m. outside every telegraph office, and is circulated in special editions of the local papers which contain nothing but this report. This local Press exercises a kind of hypnotic influence upon the people at large. As I spent most of my time in Germany in the smaller towns and rural districts, I came under its spell. Everybody had a ready explanation in answer to inquiry about the failure to reach Paris or Calais. When I asked about the news of revolutions in India and Egypt, and of Turkish victories on the Suez Canal, I was assured that they were perfectly true. The British denials were treated as "the usual English lies." And it was argued as the strongest evidence of the unreliability of English reports that naval losses which neutrals had witnessed had been kept secret by the British Admiralty.

The cumulative effect upon me of this constant suggestion, with its well-circulated variations in the films at the cinemas and in the periodical literature, was such that I seemed gradually to lose my individuality

and to become merged in the German mass. If it was not possible for me to react against it, what chance has a German, no matter how sceptically disposed, of acquiring a true perspective? It was with a sense of relief, as of the passing of a nightmare, that I crossed the border, and found a freer atmosphere and neutral associations in Switzerland.

VI

AMUSEMENTS OF THE PEOPLE

Back to the Classics

THE only haven of refuge from the hypnotic influence of the Press is to be found in the German theatres. Whereas the cinemas are still monopolized by the war, and "pictures" from the front, real and fabricated, abound, the theatres proper, and even the music-halls, stand on a different level. A great change has come over places of public amusement since the first months of the war. Even as regards the cinemas, and the innumerable war lectures with lantern slides that are given all over the country by speakers who have been to the front, the change is noticeable. The purely Chauvinist note is no longer prominent. A certain reticence has taken its place. It is true that the places of amusement now draw larger crowds than ever, but their playbills and their performances are very different. They are the best illustration of the more subdued mood of the people.

I first noticed the change in the large music-halls, and particularly at the "Wintergarten" of Berlin. One-half of the audience consisted of soldiers on leave, but the programme contained no "war numbers." The only allusion to the war or its politics-with the exception of a few bioscope pictures from the front at the end of the performance were made in some comic songs which poked fun at M. Poincaré, Sir Edward Grey, and the Tsar. I had expected that these songs would call forth an outburst of Chauvinist feeling, or wild applause, or some other kind of demonstration. In this I was mistaken. They were, of course, applauded, but not more than the clever tricks of a juggler or a comic "turn." The soldiers seemed reticent, and their reserve held the rest of the public back. I asked one of the soldiers why this derision of the leaders of the enemy fell so flat. He answered that at the front in the course of fighting he and his comrades had formed other opinions about the enemy than those expressed by the wordy heroes of the writing-table at home. They wanted to enjoy something different during their short leave of absence, a few hours of recreation before returning, perhaps for the last time, to the front.

At the beginning of the war these same music-halls were filled every night with a noisy crowd drunk with patriotic enthusiasm. Now the crowd drinks its beer and eats its *Brödchen*, smokes its mild cigars, and lets itself be amused without any flamboyant manifestations. It was the same at Dresden, Munich, and in other large towns. The contrast appeared to me very striking.

My literary friends explained that the theatres had undergone a similar change. At first the stage, like the country, was swept by a tornado of war passion. The mobilization, the early battles, the whole panoply of war were reproduced behind the footlights. The grim earnestness of the struggle was not realized. It was regarded as a boisterous but sentimental popular melodrama. shown the playbills of a whole series of theatres. Last autumn plays called "Berlin in the Field," "The Brave Bavarian," "The Kaiser's Call," "The Barbarians," "My Life for the Fatherland," "The Holy War," "To Arms!" "Through Powder, Smoke and Rain of Shells," and other such pieces were drawing full houses. In reality it was always the same play under another name: lovers or friends, or brothers and sisters, took leave of each other amid touching scenes during the mobilization, and met again in wondrous fashion, generally in captured Paris, but sometimes after the return home of the victorious German Army. This simple framework was filled in with vulgar verses, bad jokes, and gross sentimentality. The great things of the war were reduced to the level of the pothouse.

When these "war plays" were outworn, old favourites were revived and tricked out with topical allusions. In fact, the street, with all its vulgarity, overwhelmed the theatre.

Now the war has practically disappeared from the German stage. The general tone of the theatre has reached a high level. The mob has left. If any allusions to the war remain, they are quite dispassionate. The classics, including Shakespeare, are more widely played than ever. The theatre has resumed its function of elevating, teaching, amusing, and recreating, and has thus become an antidote to the poisonous language of the Press and the passions of the street.

In Berlin and most of the other large cities all the theatres and the two operas are playing every day. The general excellence of their repertoire is remarkable. Even the most popular of the suburban stages are now devoid of distortions and appeals to passion. They correspond to the subdued, but determined mood which is the most prominent feature of the mental condition of the people. There is a strong tendency towards the elimination of every kind of public pleasure that might lead the people to think of the war otherwise than as a national struggle for existence, in which it is the solemn duty of every man and woman to take part with all the energy and with all the spirit of self-sacrifice of which they are capable.

VII

OUTPUT OF WAR LITERATURE

"God punish England"—"War Culture Committee"
—Poems of Hate

THE output of war literature in Germany is stupendous, both in quality and quantity. It is astonishing even to those whose minds have been prepared by a course of German newspaper reading. I know of no more interesting psychological study at this moment than a dispassionate analysis of these carefully-considered products of the "literary" auxiliary corps of the German Army.

In the large bookshops I found the windows dressed almost entirely with books, pamphlets, maps, and other printed matter about the war. In one such shop I found, to my amazement, an "Art Guide for the German Soldier." It was a pocket volume of about two hundred pages, richly illustrated with reproductions of famous pictures

and other objects of art, and with photographs of buildings prominent in artistic history. I wondered why the German soldier in the field should need instruction in art, but my curiosity turned to stupor when I found that the pictures and buildings reillustrated were produced or Belgium, Northern France, and Western Russia. The compiler of this remarkable guide-book did not take the German soldier farther than Paris in the West and Moscow the East. He showed him treasures of Paris with the admiration and "detachment" of the real art lover. The Reims and the beautiful Cathedral of mediæval buildings in the Flemish cities were also among the objects illustrated. Russia the wonders of the Kremlin were alluringly placed before the soldier's eyes. The writer seemed quite unconscious of the bitter irony of holding up to the admiration of German warriors beauties which the first work of those self-same warriors is to defile and to destroy.

At first the German literary explosion spent its force in several directions. The action of Germany was felt to need justification, and it was thought desirable to fasten the responsibility for the war upon her enemies. Accusations were, of course,

directed against England, but by no means as exclusively as now. The latest works encourage the belief that the war is being fought solely between England and Germany. Even the entry of Italy into the struggle will hardly affect this tendency. For Germany the war is a war against England. Everything else is secondary.

One of the chief books lately published is called "Händler und Helden" (Traders and Heroes), by the well-known Professor of Political Economy, Werner Sombart. is dedicated to "our young heroes facing the foe," and its purpose is to show them "where, throughout the future, the enemy of the German spirit is to be found, and, above all, what you are fighting for." The first introductory chapter is called "Der Glaubenskrieg " (The War of Faith). It puts forward the thesis that all great wars have been and will be wars of faith. this respect there is no difference between the religious wars of the Middle Ages and modern wars which arise out of economic interests or ambition for power.

Professor Sombart calls the war a holy war for Germany. He tells the soldiers that around the central war there are incidental episodical struggles, such as the Franco-German War for the possession of AlsaceLorraine, the Russo-Turkish War for the mastery of the Dardanelles, and the Russo-Austrian War for predominance Balkans. But the real, central war. he claims, is being waged between "Western European civilization," the "ideals of 1789," and German military culture, which the enemy denounces as "German barbarism." He develops this thesis in order to show that the centre point of the worldstruggle is that between "the shopkeeper and the hero," between the mercenary and the heroic spirit. The two peoples which most definitely represent these conflicting spirits are the British and the Germans. Only as an Anglo-German war does the world-war of to-day attain its deep historic significance.

Another book, published while I was in Germany, is a heavy volume bearing in big red letters the title "The Annihilation of English World-Power," with the smaller subtitle "And of Russian Tsarism through the Triple Alliance and Islam." The author must now regret his allusion to the Triple Alliance. A special note informed the reader that it was the first work issued by the "War Political Culture Committee of the German Northern European Wagner Society." Among the contributors to its

pages were "A Turkish Diplomatist," Professors Haeckel and Eucken, and other wellknown men. The back cover bore promithe words, "Ceterum delendam." Professor esse Britanniam Haeckel writes a chapter on "England's Blood-Guiltiness in the World War." Another chapter gives "John Burns's Indictment of Sir Edward Grey," although that particular document was proved as long ago as last August to be a forgery.

This Wagner Culture Committee has many adherents. Among its leading spirits is the renegade Englishman, Mr. Houston Stewart Chamberlain, the author of the German Emperor's favourite book, "The Foundaof the Nineteenth Century." recently received from the Kaiser the Iron Cross, "to be worn on a white ribbon," in recognition of his services as an anti-English essayist. His latest work, "New War Essays," contains a paper on "England and Germany," which is being distributed in neutral countries by hundreds of thousands in an English translation, and has been published in a special cheap "trench edition." This edition is issued "in order to make the opinions of one of the best-educated Englishmen accessible to our brave men in the trenches."

Scarcely less significant is the long list of "people's books," "patriotic books," "war books," "national books," and "Kaiser books." Among the "people's history books," published by the well-known firm of Velhagen and Klasing, I found one called "Perfidious Albion," and filled with caricatures illustrative of the "burning, bitter hatred against England," and telling how, after months of sacrifice, the "sacred flame of unquenchable hatred against perfidious Albion is still burning in the whole people."

Another notable book in one of these series is called "Woe to Thee, England-1915." It contains more than a hundred poems by as many authors. Among them is Lissauer's "Hymn of Hate" and other verses of the same quality, under such headings as "God Punish England," "Thou England," "Hatred against England," "A Song against England," "Revenge," and "To the Day." This little collection of songs of hate is very valuable as what the Germans call a "Culture document." It is, indeed, remarkable how very few of the German war publications show any sign of an attempt to take a lofty point of view or to look at the war with other than German nationalist eves.

VIII

APPEAL OF THE WAR POSTER

The Housewife and War

THE first thing that caught my eye when I entered a German railway compartment at the frontier was a large yellow placard on the wall. In big letters it warned soldiers not to enter into conversation with foreigners, nor to give any military information to any one. It announced that spies were travelling through the country in all sorts of disguises, and were attempting to elicit information from soldiers in particular. Finally, it exhorted soldiers not only to die, but also to be silent, for their country. The language was not flamboyant. It made a simple, direct appeal.

Save in some local trains, soldiers were everywhere, and I travelled much with them. Naturally I made no attempt to elicit military information; but I talked freely

E

with the men, who always seemed pleased to hear outside news and views as long as they were expressed with a certain care. Civilians, on the other hand, were amazingly eager to confide all kinds of "secret" military news to strangers, and showed pride in mentioning the channels through which their "knowledge" had been obtained. But no soldier with whom I came in contact ever approached in conversation a subject that could possibly lead to any disclosure of military secrets.

By the side of the yellow placard in my railway compartment—as in all compartments on all railways—was another poster, black and white. It appealed to travellers in the name of the German Red Cross to collect all foreign money and postage stamps they might be able to secure. It urged that a patriotic duty would be fulfilled by sending to the Red Cross all foreign coin or notes, so that these might be used to pay for imports from abroad. Thus the rate of exchange would be strengthened, and the wounded helped at the same time. For every 25 marks' worth of foreign coin, notes, or postage stamps contributed, the sender, stated the poster, would receive an artistic iron medal, the work of the prominent artist, Professor Gaul.

On the opposite wall was a third placard, headed "Ten War Commandments." They laid down rules for the conduct of civilians in war-time, and instructed them how they might best uphold the country's interests, increase its strength, and render the most efficient assistance to the armed forces. The principal injunction was to save, to avoid all waste, to take care of everything that might be useful in the struggle, and to sacrifice all for the sake of their country. Directions were given as to how and what to save.

Notices and posters of this kind are to be seen all over the country, not only in railway carriages, but on and in public buildings and on the advertisement pillars in the streets. Only in exceptional cases are they displayed on private buildings or private property. As a rule they are a part of the State machinery. The language employed is plain and to the point, without verbiage. There is little or no attempt to make these appeals attractive as advertise-The only exceptions from this bureaucratic rule are the posters of some voluntary associations which make their public appeal by methods resembling those of the picturesque advertiser eager to catch the public eye.

I remember especially one such poster issued by an association called Nationaler Frauendienst-National Women's Service. This association is, in reality, the Central War Organization of German Women. It was founded early in August as a federation of all German women's societies for the purpose of co-operation during the war. The country is covered with a network of the branches of this federation, which concentrates its efforts upon the provision of support for soldiers and civilians suffering from the war. One of the most characteristic of its posters is printed in black and red on white, the German colours. I give its text in the original, because its effect is lost in translation. It runs:---

KRIEG UND KÜCHE.

(War and the Kitchen.)

KOCHT DIE KARTOFFELN IN DER SCHALE (Boil Potatoes in their Skins).

ESST KRIEGSBROT (Eat War Bread.)

KAUFT KEINEN KUCHEN (Buy no Pastry).

SEID KLUG, SPART FETT (Be wise, save Dripping).

KOCHT MIT KOCHKISTE (Cook on the Hay System).

KOCHT MIT KRIEGS-KOCHBUCH (Cook by the War Cookery Book).

HELFT DEN KRIEG GEWINNEN (Help to Win the War).

NATIONALER FRAUENDIENST.

It will be noticed how, in the original German, the alliterative effect is used to emphasize the connection between the war (Krieg) and the kitchen (Küche), and to impress upon the people the national importance of retrenchment and of the prevention of waste.

Another poster was headed, "Housewives: Help to Win Germany's Struggle for Existence!" It bore appeals to economize all vegetables, butter, and meat, and to throw nothing away. Eatables thrown away, it declared, are like wasted ammunition. For civilians to waste bread is as bad as for the soldier to throw away cartridges. This campaign by posters, circulars, and by exhortation in the Press has been accompanied by lectures and educational courses on the means of economizing in matters of food even more than in the past. In this way, it is claimed, the German people will help to make the country selfsupporting as regards foodstuffs, and will enable it to "defeat the English plan of starving the country into submission."

Thousands of local authorities work in this way by the side of the military authorities and of the State.

The advertisement pillars in the streets

are usually covered with announcements of this kind. Alongside the detailed regulations for a census of copper, issued by the commander of an army corps, stand an announcement from the War Cereals Society enjoining economy in the use of flour, and other innumerable appeals from associations of the kind I have mentioned. The public reads these announcements and acknowledges the necessity of complying with them. feels that it, too, has been mobilized, and the sense of discipline makes the hard times easier to bear. When a man goes to the railway booking-office he sees a placard at the level of his eye telling him that it is his patriotic duty to exchange for notes every gold coin he may possess or that may come into his possession. It is the same at the post-office. To him every placard has some compelling authority behind it, even though it concern voluntary acts. No flaunting display is needed. The great majority of the posters do not shriek at you from hoardings wherever you turn your gaze, they do not appear in streets except on the special pillars, they are insignificant in appearance, and are usually a mere printed strip of paper. You must look for them; they do not look for you; but they are evidently exercising great influence.

This is the tale of the posters in Germany. On coming back to England I saw how great is the contrast in the art, the display, and the contents of the posters here. They seem to concern a totally different world.

IX

PRISONERS' CAMPS

Wages Paid in Stamps—Typhoid in Camp—Spoon and Plate Meals—Problem of Help

CAMPS and hospitals for prisoners of war are prominent features of Germany to-day. They number 247, of which 55 hold between 10,000 and 20,000 prisoners each. Ruhleben, the camp best known in England, where civilians are interned, is classified in the official lists as a small camp. The latest official information gives the total number of prisoners interned as 900,000.

The most striking thing about the camps is their distribution. They are to be seen everywhere, except in East Prussia, where the havoc of war still prevents the restoration of normal conditions. This dissemination of camps throughout the Empire may be necessary or desirable as a practical measure, but it creates the impression that it was inspired also by another motive.

By dotting the camps all over the country they are accessible to the whole civilian population. They form an ocular demonstration of the success of the German Army. On Sundays and holidays I saw numbers of people going to have a look at the prisoners The spectacle may engender sympathy or arouse passion, but it is quite certain to give a feeling of satisfaction and security to Germans at home. To see large numbers of French, Russian, Belgian, British, Indian, and other prisoners safely interned behind barbed wire in the Fatherland is a gladdening sight to German eyes. stories told by those who go to gaze at them lose nothing in the telling.

Besides, more and more prisoners are to be seen at work outside the camps, on farms, and in factories. One passes them on their way to work. They are all in uniform, the red trousers of the French being visible at a long distance. The authorities evidently hope that the labour problem, which must grow more difficult as the war goes on, will be solved in part by the use of prisoners. I found by personal investigation that an increasing number of prisoners prefer work to the depressing inactivity and monotony of the camp. It gives them a little more freedom, somewhat better fare, and enables

them to earn a trifle. This tendency is most marked among the French and the Russians. In one of the large camps I visited more than 4,000 of the 11,000 prisoners in the camp were working for local farmers.

Despite careful inquiry, I was unable to ascertain how far readiness to work was really spontaneous, and how far it couraged" by the authorities. employers have to ask the Kommandatur in writing for the number of men wanted, and to state the work for which they are required. When suitable prisoners have been found, a detailed contract is drawn up between the employer and the Kommandatur. It sets forth all the conditions the employer must fulfil the kind of labour to be done, the hours of work, the food, etc.--and the Kommandatur undertakes to supply other prisoners if the work of those first sent is not satisfactory. Wages are usually 6d. a day for farm work, and is, 6d, for industrial work. This difference is due to a desire not to undersell German industrial labour. The wages are paid in stamps, which can be exchanged for goods in the camp canteen.

I found little difficulty in visiting several camps. The authorities declared they had nothing to hide. I had full liberty to talk to the prisoners. The arrangements made

differ slightly in different States, such as Saxony, Bavaria, and Prussia. But as a rule a certain uniformity is established, particularly in regard to food and prison discipline. Latterly a universal standard for the construction of camps has been attained, evidently as a result of experience. The newest camp buildings are entirely of wood. The work of building them is practically the only building work now going on in Germany-and it is no trifle, since the newest large camps cost some £200,000 each. They are generally placed on healthy, rising ground, and are well drained and provided with their own water and electric light supply. Sanitary precautions are strict, lest infectious diseases break out among all these peoples and races from so many parts of the world.

A camp consists of three parts—the ordinary camp, the hospital camp, and, out of sight of both of them, the graveyard. In the hospital section there are offices, barracks for the guard, the kitchen, the quarantine, the ordinary hospital, and the observation and isolation hospitals for infectious diseases. All prisoners brought in from the front are put into quarantine, and kept there—a very trying time—for ten days. During that time they are inoculated against smallpox, typhoid, and cholera.

In the hospital camps, where prisoners serve as warders for their fellow-countrymen, my impressions were good. Typhoid raged in some camps, especially in the big camp outside Cassel, but the most stringent precautions had been taken. The chief cases in hospital were consumption and pneumonia, particularly among the French. I noticed that there had been many amputations on account of frostbite.

A high wooden fence, and, as a rule, a higher fence of double barbed wire, surrounds the ordinary camps. Between the two fences there is a passage for the guard. Along one side run the guard-houses and offices, the kitchens, canteens, bath-houses for the prisoners, and then the prison barracks proper. There are no windows, only skylights in a sloping roof. On a layer of tarred paper wooden berths are built along the walls, leaving room for a passage in the middle. This is in the newest camps; in other camps the prisoners sleep on sacks filled with wood shavings, which are raised up along the walls during the day.

Food regulations are much the same in all camps, save in Mecklenburg, where the provision of food has hitherto been let out to contractors. The basis for the distribution of food is alleged to be the number of

calories (heat units) declared by German science to be necessary for the maintenance of a tolerable existence. In the Prussian camps the average number of calories is held to be about 2,700 a day. Food is measured and prepared accordingly. Here is the menu for one day:—

Bread, 10 oz.

Potatoes, 1 lb. 4 oz.

Pork, $3\frac{1}{2}$ oz.

Dry vegetables, $1\frac{1}{4}$ oz.

Margarine, $\frac{1}{8}$ oz.

Preserved vegetables, $3\frac{3}{4}$ oz.

This makes, according to the German calculations, 2,899 calories, at a cost of 7d. The average cost of feeding prisoners was at the moment of my visit 7½d. per head per day, but thanks to representations from the American Ambassador, it appears that the average has since been slightly increased.

Bread is the only food that is given in solid form. Everything clse is boiled into a thick soup, which is served at all meals. The prisoners are given this semi-fluid nourishment because their only utensils are a spoon and a metal plate. They are allowed to buy extra food and some other articles in the canteen, where tobacco and cigars can now be obtained. Prisoners themselves do the

work in the kitchens, serve the food, and perform all the other menial tasks in the camps.

The ordinary barracks are divided into battalions, with a military commander for each. Every battalion is separated from the others by high barbed-wire fences. Each has a washing-place in the open. Prisoners are allowed to amuse themselves as best they can, by primitive theatricals and some games. There are, of course, many complaints. of them that I heard concerned the insufficiency of the food. These came in particular from the British, who were accustomed to a much higher standard of living than the Germans. The black bread and the monotonous soup disgusted them.

When I asked them how they were treated in other respects I received conflicting answers; but one general conclusion I could draw—namely, that many are without friends at home to send them gifts of food, clothing, and other necessaries. I was much impressed by the necessity of creating one central organization for the distribution of gifts to British prisoners. Such an organization could locate the prisoners in the various camps, and discover their needs. Without some such organization the problem of helping them cannot be solved.

My general impression was that once the

prisoners have reached the camps, and have learned to comply with the regulations, they are not treated badly. I have, of course, no knowledge of what has happened or happens immediately behind the front, or during the journey. In one of the camps I found the quarantine occupied by British prisoners who had arrived the same day from the district of Ypres.

In comparison with the British, the French are real favourites in the camps and outside. The Russians also are well looked upon, and are praised for their spirit of resignation and for their discipline. The French are commended for their good humour, readiness to work, and willingness to look at the bright side even of a prisoner's life.

As a rule the prisoners are classified according to religion, and also with regard to their capacity for special kinds of work. Political distinctions are also made. The Russian prisoners from Poland and the Little Russians, who are supposed to be in opposition to the Russian Government, are placed in camps where there are no other Russian prisoners. There is method in this plan. Similarly with the Turcos. I was told—though not by the authorities—that Turco prisoners are promised freedom if they will volunteer to serve with Turkey.

X

A PRUSSIAN JUNKER AT HOME

Working Classes stinted-Manure from the Air

THE Junker himself met me at the little station out in the Pomeranian country. He was a Rittergutsbesitzer, the Lord of the Manor, big, fat, brutally strong, and childishly ingenuous. His estate lies in the heart of the real, original Prussia—a fertile plain dotted with pine and beech woods, and watered by lakes and streams. Here the feudal manors hide, and the feudal spirit is fostered. The names of families and places bear witness to the former Slav rule and to the strong Slav strain in the people.

My host was a type of the ruling class, the kind of man who gives the impression of being able at one moment to strike with reckless ferocity, and thereupon to weep from sheer sentimentality. He apologized for having no carriage, and explained that he had not one decent horse left. His whole stable had been requisitioned and well paid for, but he bewailed his lack of a riding horse and of his accustomed exercise. "I am getting so fat, so fat," he ejaculated sadly.

We walked across the fields and through the little village that clustered round the manor. The manor itself has nothing palatial about it. It is a simple, one-story, redbrick building, with a series of large farmbuildings attached. The luncheon had all the solidity and strength of this countryside. Here there was certainly no lack of food.

Of course (said my host) there is no superfluity of wheat, and we have to be careful with many other things; but there is quite enough. The authorities had to stop speculation and to put an end to waste. We farmers observe the regulations and bake no white bread, but we have nothing to do with breadcards and the like. Besides, the authorities have just found out that the supply warrants an increase in the percentage of wheat flour in the war bread. As you know, we Germans are used to black bread of all shades, and it is no hardship for us to eat war bread, which is, indeed, very palatable and nourishing.

The Junker's statement holds good for the

greater part of the country. Nevertheless, there are complaints that bread is bad and insufficient, particularly among the working classes. In some places extra bread-cards have been given to labourers; in others special organizations have been formed to supply more bread by voluntary subscription to men who are doing hard work. A large number of workmen only get throughout the day the bread they bring with them from home, and in order to be able to hold out they are obliged to take also a substantial portion of the rations allowed for their wives and children. But these facts are not allowed to be made public. The blame seems to lie at the door of individual bakers. The speculators and bread usurers are held in check by the heavy penalties-imprisonment up to one year and fines up to £500-to which transgressors are liable.

On the whole the bread regulations have strengthened the national feeling of security. The machine that governs the country has proved its strength and its fatherly solicitude. It is the Providence in which absolute trust is placed. Complaints are suppressed, as is everything likely to dishearten the people.

On the score of potatoes my host was equally frank. There had been, he said,

some anxiety lest the supply run short, and stringent measures had been adopted to prevent waste. All potatoes are boiled in their skins. It has, by common consent, become a sort of crime to give potatoes to pigs or Sugar has been largely used as cattle. fodder, because last year's sugar crop, which would in the ordinary course have been exported to England, has remained in the country. Besides, large numbers of cows and pigs have been sent to graze and to be fed in Belgium, so as to economize fodder in Germany. As yet there is no sign of any lack of potatoes, and the Government has not requisitioned the existing stock. The local authorities have done so in some places in order to preclude speculation. average price remains $1\frac{1}{4}d$. per pound.

One of the acutest difficulties had been the supply of artificial manure since the importation of nitrates and of guano had ceased. But now the problem has been solved by the manufacture of nitrogen from the air. In this, as in other respects, my host claimed that Germany would in future be self-supporting.

In fact, every effort has been made to adapt the country to the new conditions. Much effort was needed to transform the organization of credit, which so powerfully supports German agrarian interests, in accordance with the requirements of war. The German Farmers' Supply Association, originally an agency for the purchase and distribution of a special manure, has now, at the request of the Imperial Government, become the central organization for the whole supply and distribution of cattle food and manures. It has also taken over the food and manures which have been seized and sent to Germany from the occupied districts of Belgium, France, and Poland. Yet, despite all organization, prices have increased enormously. A ton of maize, which cost £8 12s. at the beginning of the war, now In these circumstances costs £31. understands why cattle have been sent to Belgium.

The labour difficulty is also serious. A special organization has been formed to supply agricultural machinery to farmers, but this is at best a palliative. Farmers now place their hopes in the promise that 200,000 labourers from devastated Poland will be available, and that prisoners of war will also be turned to account. There are said to be about 900,000 prisoners in the various camps, and more and more of them are being used as farm labourers. In many places they

may be seen in their uniforms at work in the fields. In every district through which I passed the fields were well cultivated, the winter crops were promising, and all the women had been mobilized for agricultural labour.

The effort to make the country self-supporting was evident on every hand. It was a wonderful spectacle. The cities also are turning to account all waste land. Cologne, for instance, has made extensive contracts with farmers to sow 1,500 acres with peas for the city, and to cultivate potatoes on every piece of open land in the town or belonging to the town. At Teltow, near Berlin, I saw 300 British and 100 Russian prisoners of war digging and preparing the soil along the canal for "war vegetables," as they are called.

Certainly the difficulties are great (said my Junker), but we shall overcome them all. It is a terrible war. It is destroying the flower of our manhood. There is mourning in nearly every mansion of this old Pomeranian country. Those responsible for it—and he used virulent expressions against England—are the worst kind of criminals. But we shall hold out and pull through at all costs.

And he added, with a peculiar smile of agrarian self-satisfaction—

Whatever happens, we have already shown that we agrarians were right in our prophecies. What is the good of the ships and of huge industries, if agriculture is neglected and food is insufficient? Where should we have been now had industrialism proceeded further? We are the mainstay of the country.

XI

WEAK INDUSTRIAL POSITION

Organization of Industry-A Gloomy Future

THE entry of Italy into the war on the side of the Allied Powers will seriously affect the industrial position in Germany. I have already pointed out that the condition of her industry is the weakest spot in the German armour. Though Germans constantly assert in public that they are now far better off than at any time since the outbreak of war, and that a normal state of things will soon be attained, the real situation is very different.

It is from the iron and coal trades that the Germans draw the statistics which they use in support of their contention. But these trades have been less disturbed by the war than any others. Trustworthy figures show, moreover, that even the production of iron and coal has been adversely influenced. The output of pig-iron fell from a monthly average of nearly 1,600,000 tons before the war to 587,000 tons in August last, and has only gradually been worked up to a level of 940,000 tons. The coal output fell from 268,000 tons in July to 97,000 tons in August, and eventually rose to 183,000 tons. During the last few months there has been a noticeable fall from this level.

The sudden outbreak of war caused greater havoc in the industrial world than is generally known. Many manufacturers lost their heads, factories were closed, and masses of workmen were discharged. Unemployment on a large scale was in sight. But after a few days of bewilderment, which was increased by the calling-out of workmen and the stoppage of industrial transport during the mobilization, the German genius for organization was brought into play. It was immediately understood that military success would be of little account unless the people at home were kept employed. It was seen that masses of unemployed, with the attendant destitution and its paralysing influence upon the community, must at all costs be precluded.

To this end the industrial leaders turned their efforts. It soon became evident that

fears of unemployment had been exaggerated.- The demand for war supplies of all kinds caused a general rearrangement of industrial activity. Every factory that could possibly be adapted to the manufacture of war material was transformed, and the workmen who had been discharged were speedily reabsorbed. The head of one of the large concerns in Silesia told me that in his works extensive preparations for the production of war material had already been made in peace-time, and that other works had been very rapidly adapted to the same purpose. They had all been kept busy, though the margin of profit had been small on account of the difficulty of liberating workmen who had been mobilized and of training new workmen who had been brought in from different industries.

The first step taken by the industrial leaders was to regulate the distribution of military orders, so as to eliminate the speculators and middlemen who sought to intervene between the military authorities and the manufacturers. By August 8th the two chief industrial federations, the Bund der Industriellen (Manufacturers' Union) and the Zentralverband der deutschen Industrie (Central Association of German Industry)

joined together and formed a "War Committee of German Industry." This-committee commanded the whole industry of the country, and appointed a special commission to act as a link between it and the military, naval, and State authorities. It took over not only the distribution of orders, but was also entrusted with the work of deciding the best use to which the available industrial forces could be put, the most efficient division of labour among the various branches of industry, and the organization of the supply of metals.

Hand in hand with this reorganization of industry went the organization of credit. War-credit banks were created with the help of the Imperial Bank to give support to undertakings that had been hard hit by the war. Similarly, the Labour Exchanges were called upon to distribute in the most effective fashion the available labour supply. A Central Office for the whole Empire (Reichszentrale der Arbeitsnachweise) was instituted at Berlin. It comprised all organizations previously existing, those of the trade unions as well as those formed by the employers. Employers and employed were equally represented.

Thus the war solved a problem which had

long been the cause of bitter struggle between workmen and industrialists. Among the difficulties overcome by this association of employers and employed has been the distribution of work to workmen who, for various reasons, were not occupied in war industries. Other organizations for the supply of petrol, rubber, copper, etc., completed the remarkable network of effective war cooperation which has hitherto enabled the country to make the most of its industrial resources.

Yet, notwithstanding this success and in spite of optimism in other directions, real anxiety for the future—a comparatively near future--is to be found among the industrial leaders. Not even the successful conversion of piano factories into cartridge-making establishments, or of silk spinneries into shrapnel works, can hide the fact that, outside the sphere of war work, the industrial activity of Germany is gradually slackening down. After only ten months of war Germany has been reduced to the position of a community commercially and industrially isolated. Very little of the 20 to 25 per cent. of the country's output that formerly went abroad can now be exported. The raw materials which the country cannot produce have become scarcer and scarcer, and with the entry of Italy into the war they will be practically stopped. Compensation for the loss of foreign markets has been sought and to some extent found at home. The falling off in production, the absorption of workmen in the war industries, and the clever manipulation of finance have all helped to create an appearance that things are working smoothly.

But appearance cannot alter the fact that the lack of essential raw materials is being severely felt. There is enough for the war industries, but other industries are living on the doles they receive from time to time. Even the most marvellous organization cannot produce petrol, cotton, or wool out of the German soil. In 1913 Germany sold to the rest of the world goods worth some £420,000,000 sterling. The total German imports reached a total of nearly £500,000,000. No rearrangement of the home demand, no reorganization, no retrenchment, no financial prestidigitation can in the long run avert the consequences of this stoppage of raw materials, unless the German armies are able to secure new sources of supply.

XII

PLIGHT OF GERMAN SHIPPING

Gott Strafe England-Looking Ahead

EXCEPT on the Rhine and Elbe, where steamers freshly painted and the long strings of barges ply as usual, shipping in Germany is now conspicuous by its absence. No industry has been so hard hit as that of shipping, and nowhere is the economic isolation of the Empire so evident as in the two great Hansa cities, Hamburg and Bremen. A year ago they were the proud centres of Germany's world-wide seaborne commerce. To-day they are all but lifeless.

This has been achieved by Great Britain in a much shorter time than Germans thought possible, especially those Germans who believed in their fleet. One consequence has been the conversion of Hamburg, the second city in the Empire, into a town commercially insignificant. I went to the harbour

and made a round of several docks. The wharves were practically deserted. There were many ships still in the docks, but they had been idle since the outbreak of war. A weird silence reigned where hundreds of small craft used to ply across and along the river between the docks, where the sound of sirens and steam-whistles, the constant rattle of cranes, the thousand noises of men at work ashore and afloat, were formerly merged into an anthem of wealth.

The burly dockers, who crowded the quays a year ago, had totally disappeared. I met several of them in uniform as Landsturm guards in the prisoners' camps, far away in the country. At one place they frequented the little inn where I stayed, and, between huge draughts of beer, opened their hearts to me. They were full of longing for Hamburg, its life, its sea air, and they loathed the tedious work of guarding "Russians and all sorts of Mongols." But," they added sadly, "there is nothing to do at Hamburg; there is much misery, and as dockers we should starve; so we must be thankful and patient."

One result of this change from busy life to suspended animation is the conversion of Hamburg to angry hatred of England. Hamburg used to be the most English town in Germany. English was more spoken than in any continental Englishmen enjoyed considerable prestige. Now the most sedate of the Hamburg newspapers are among the fiercest enemies of England, and vie with the most rabid German news sheets in antagonizing and distorting everything English. In this they express the feelings of their readers.

Some figures will explain their rage. More than 18,000 ships used to enter the port of Hamburg every year. Goods worth over £700,000,000 sterling were annually imported and exported. Now the incoming ships can be counted on the fingers of one hand and seaborne trade has almost ceased. Hamburg was the great port of transit for the Continent of Europe and, to a considerable extent, for the Scandinavian countries. All that is past. Hamburg was the great warehouse for oversea commodities. the warehouses are all but empty. Hamburg was the centre of the coffee trade and held the largest stores of coffee. Now those stores are depleted, and, as the supply cannot be replenished, coffee is becoming scarce throughout the country.

A few small vessels engaged in coastwise

trade still come and go; a few ply also between Hamburg and Scandinavian ports -at least, I was told that the only traffic still visible was of that kind. I carefully hid my interest in the traffic down to Cuxhaven and on the waters of the Elbe estuary and of the Kiel Canal. But my impression is that most of it was connected with the fleet and with the shipyards. The naval vards work night and day at the highest pressure and with an increased number of hands. But everything else is dead. The Hamburg-Amerika Company, the largest ship-ping concern in the world, with its 215 vessels, aggregating more than 1,100,000 tons register, has now but a few small craft employed in coastwise and Baltic trade. Its mighty director, Herr Ballin, has become the director-general of the organization for supplying the Army and Navy.

Every effort is being made to relieve the situation at Hamburg by intensifying industrial work for the war. There, and in the sister town of Harburg, the attempt to convert Germany into an economically self-contained community is particularly apparent. Consequently the traffic up the Elbe has increased. But these efforts are at best palliatives. It is not easy to convert ship-

ping into a really productive industry when' the great sea routes are closed. Of the thousands of offices connected with shipping many were shut, others gave scanty employment to people above military age, who seemed chiefly engaged in waiting for something to turn up. Consequently many Hamburgers have left the city. You meet them at German and neutral holiday resorts. Why stay at home when there is nothing to do?

If there is any real depression in Germany, it is in shipping circles. Yet, even there, little fear for the future seems to be felt. Shippers are as convinced as the other commercial and industrial leaders that, as soon as peace is signed, Germany will resume all her old commercial relations and will rapidly regain her position. This belief was expressed to me again and again. Faith that German energy and genius for organization will quickly regain for the German merchant, shipowner, and industrialist a leading place in the world's commerce is too deeply rooted to be affected by argument. "We must prepare our shipyards," say Hamburgers, "for intense activity after the war." Manufacturers repeat, "We must make plans for fresh and more efficient organization of our factories." It never seems to occur to these people that the resentment aroused throughout the greater part of the world by German political, military, and naval methods may upset their calculations.

While Hamburg and Bremen have ceased to be great seaports, Lübeck, the other old Hansa town, has to some extent regained an importance it had long lost. The Baltic is now the only sea where German shipping enjoys some freedom of movement, and Lübeck gets the greater part of it. But the measures taken by the Scandinavian authorities to check circumvention of the various export prohibitions circumscribe even this limited activity. There is doubtless some leakage, because the chief Scandinavian ports are infested with commercial adventurers of many nationalities, who strive to turn the situation to advantage; but, whatever success these gamblers may occasionally achieve, it is doubtful whether their manœuvres greatly affect the position of Germany.

The German Press seems to have been ordered not to mention the troubles that arise with neutral countries on account of attempts to get goods into and out of Germany.

Incidents that caused indignation in Scandinavia were totally ignored in Germany. The public is unaware that Germany has ever violated the rights of neutrals in this respect. But Germans everywhere dinned into my ears their stories of the scandalous behaviour of England, whose despotic "Marinismus" so harassed poor neutrals that their only chance of redress lay in the final victory of Germany and in the liberation of the seas of the world from the oppressive British yoke!

XIII

THE STORY OF THE SHOPS

"Iron Cross" Wares

THE German shopkeepers are facing a difficult situation bravely. They try their hardest to keep up an appearance of "business as usual." Their windows in the principal shopping quarters of the large cities are dressed with the same, or even with greater, care than in ordinary times. Yet their efforts are not successful. Most of the goods displayed in the best shop windows tell a tale of trouble. It can be seen at a glance that last year's goods form the greater part of the new display, and that, as regards them, the otherwise despotic rule of fashion is ignored. The explanation given to me was that both demand and supply have fallen off, and that the prices of new goods are too high.

Notwithstanding the onslaught made upon all foreign names, signboards, and expressions—an onslaught which the police has encouraged-I noticed in some of the principal shops, even those of Unter den Linden and of the Friedrichstrasse, goods marked as "Oxford shirts" and "Derby coats." Unter den Linden I also saw a large signboard sticking out above the pavement and bearing in large letters the announcement, "To London in 19 hours." It belonged to the office of the Zeeland Steamship Company, which continued its operations, while the neighbouring palatial offices of the Hamburg-Amerika and of the North-German Lloyd were empty, save for their Italian busi-Since the outbreak of war with Italy even this business will have been cut off. The Sleeping Car Agency had lost its desig-"International," which had been nation hidden under a thick coat of black paint.

As regards international trade, I observed that the fruit shops were well provided with oranges, bananas, pineapples, and asparagus, and that the prices were not at all excessive. It must, however, be remembered that, with the exception of oranges, foreign fruits are a luxury in Germany, and that the large fruit shops are few.

On the whole the tide of shopping was at a low ebb. This was particularly noticeable in the large stores, such as Wertheim's. Usually these huge palaces are thronged. When I asked for some special articles or new patterns not in stock I was told that they could not be kept or obtained this year because the public bought only necessities except in the case of goods directly connected with the war. Everybody is trying to carry on with old stocks and to comply with the conditions created by the war. The shopkeepers and small traders of all kinds have shown great cleverness in exploiting this situation. Every commodity of which the sale can be "pushed" by connecting it with the war is tricked out with some kind of war symbol. The Iron Cross is the symbol most generally used. It has become a national patriotic emblem. It is to be found as a sort of trade-mark on the most unlikely wares. It is as prominent in the big jewellers' windows in the centre of the city as in the humble shop in the back street. Brooches, fancy rings, pendants, bracelets. watches, and even spoons and knives bear the symbol in some form, from an Iron Cross in brilliants to an emblem simply engraved.

Cheap articles for the poor are similarly "pushed" by Iron Cross pressure. The children in the streets eat chocolate in the shape of an Iron Cross and play with "Iron Cross" balls. At Hanover one of the big drapery establishments near the Ernst August

Platz even showed nightshirts embroidered with the Iron Cross—and drew from the Hannoversche Courier a violent denunciation of such "lack of taste." A movement of protest against the abuse of a symbol which is the highest military reward is, indeed, growing up among the more refined classes.

Side by side with the Iron Crosses in jewellers' windows there is usually an exhibition of plain iron rings, which are being sold in great numbers as substitutes for gold rings that are given to the Imperial Bank as contributions to the national gold reserve.

During my excursions into the shopping was greatly impressed by the arrangements for sending gifts to officers and men in the field. It need hardly be said that the Post Office parcels system is working with the same clock-like precision as are the other parts of the State machine; but the facilities which commercial enterprise has created for the public deserve notice. In many places I found whole shops converted into centres for providing food and delicacies for the soldiers at the front. The food was specially prepared and placed in metal tubes with screw capsules, of the same kind as are fitted to ordinary vaseline or lanoline tubes. There were 1-lb., $\frac{1}{2}$ -lb., and $\frac{1}{4}$ -lb. tubes, containing butter, lard, honey, marmalade, jams, preserved cream, semi-liquid meat extracts—in short, every kind of nourishment that can be reduced to a consistency suitable for such a packing.

In the same shops there were large stocks of ready-made cardboard boxes of various sizes, each bearing a printed label to be filled in with the name and military number of the addressee. The necessary string was attached to each box. The sender has only to buy the tubes, put them into the right-sized box, fill in the label, tie the string, and leave the parcel. Next day, or at latest within forty-eight hours, the soldier at the front receives the gift if he is still there. It would be impossible to supply him with food from home in a handier way. He can easily carry the tube with him in the field. He has but to unscrew the capsule, to press out the amount he wants, close the tube again, and put it in his pocket. It is clean, and he needs no utensils. In the trenches and other advanced positions it is particularly valuable.

These tubes and cardboard boxes of regulation size are obtainable all over the country. They are sent by hundreds of thousands daily to the troops, and, I saw many letters from soldiers at the front saying that they had never been so well cared for in their lives.

XIV

THE RAILWAYS AND THE WAR

From West to East-Wide-awake Authorities

BEFORE going to Germany I knew that the railway system played an important, perhaps the most important, part in the organization of the war. But not until I had seen the system at work did I realize the services it renders to the military authorities.

I travelled one day to a small town in the west. It is situated in a valley through which runs the double line of an important railway connecting the western frontier districts with Central Germany. I went by a slow train, and was struck by the masses of Landsturm men who entered it at the garrison town and who got in and out at every small station. They were lusty, talkative fellows of mature age, many of them fresh from their civilian occupations and hurriedly rigged out in uniform. One man in my compartment wore

his long working boots. He explained that he had been up all night killing pigs, and had had no time to change them. It was at the moment when a general pig-killing was ordered so as to save grain and potatoes for human food, and the municipal authorities had been commanded to lay by a reserve of pickled and preserved pork up to the value of 15s. per head of the population.

My Landsturm pig-sticker told me that he and his comrades were under orders to guard the line with its tunnels and bridges. Every now and then he greeted some one through the window, and, on looking out, I noticed that the whole line was guarded. I thought involuntarily of the way we used to think the Tsar's train was guarded in former days. None of my fellow-travellers could or would say why, even in war-time, these extraordinary precautions were being taken so far inside the country.

The mystery was soon to be cleared up. On reaching the little town I went to a small hotel, got a room, and began to dine in the snug beer restaurant of the house. The landlord welcomed me in the friendly, homely fashion which is so attractive in the inns of places untouched by the modern hotel "industry." Then he exclaimed, rubbing his

hands with glee, "the Russians will soon get a new licking. We are moving masses of troops across to their side. Hindenburg has something big up his sleeve. More than 100,000 are going through here. Do you hear that?"

I heard. It was a long troop train passing through. The railway ran near the hotel, and opposite it was the station. I went to the window and saw the train, filled with soldiers and with guns, horses, motor-cars, and transport material. People in the streets and in the buildings along the railway greeted the men enthusiastically. The soldiers lined up behind the windows and in the open troop trucks to return the greeting. Then they sang "Deutschland über Alles" and other patriotic songs.

The landlord told me, a complete stranger, that these troops came from the French front, and were being sent at Hindenburg's request, straight across Germany to the distant Eastern front, where huge operations were being prepared. During these preparations there was, for a number of days, a strict Postsperre, that is to say, all postal and ordinary telegraphic communications with foreign countries were absolutely stopped in order to prevent any leakage of information about

the work in progress. The troops concerned in the movement were not allowed to communicate even with their own families.

Then I witnessed the working of a part of the war machine. The long troop trains continued to roll eastward, one every ten, fifteen, or twenty minutes for two days and two nights. As long as daylight lasted, every train was greeted with the same applause, and even at night we heard the soldiers sing and shout "Hurrah!" as they passed. For them it was one triumphal progress through the country.

The remarkable thing was that there was no apparent dislocation of the ordinary traffic. The express as well as the slow local trains arrived and departed according to time-table. Long goods trains with supplies went West, and empty trucks went back. Presently, other long troop trains, filled with new levies, also went West. It is easy to imagine how this spectacle strengthens the popular feeling of security. It is an ocular demonstration of the power of the military authorities to withdraw forces without danger from one front and to throw them, by night and day, across the country to the other front, with absolute precision and without dislocating civilian life. No wonder that the Germans are proud of their railways. They know that but for the mobility which the railways give to great masses of troops the war would long ago have had to be carried on inside the German frontiers.

The spirit of the soldiers and the extraordinary precautions taken to guard the line strengthen the feeling of security. The impression produced is that the authorities are wide awake and ready for all emergencies. Not only was the railway strongly guarded— I repeat, well in the interior of Germany, east of the Rhine—but there were special defensive posts against aircraft, and at intervals a Zeppelin travelled as a guard-ship up and down the valley, closely following its sinuous turns.

Two days after the troops had passed through my little town, the expected happened. The German official reports from the Eastern frontier had for some time contained only the stereotyped phrase, "There is no change in the general situation." Suddenly, one morning, all the flags in the town were hung out, the school children were given a day's holiday, and the people heard that the great offensive in the Carpathians had begun and that the Russian lines were broken. Soon afterwards I learned that the troops I had

seen passing through had gone straight to the theatre of operations in Galicia. Their relatives in Germany had no inkling that they had left the western front until letters arrived from the region of the San.

Naturally the usual train service in Germany has been considerably reduced. The time-table itself shows a high percentage of trains withdrawn. But the reduced service is perfect, despite the decrease in the number of railway servants, who now include very few able-bodied young men. In the booking offices women are supreme. If a traveller is wise he will take with him only as much luggage as he can carry himself, because porters may be scarce. But trains leave and arrive to the minute, and provide the usual There are sleeping and accommodation. restaurant cars on the important expresses between the principal cities.

All the German railways are now worked on one single system, which has been extended to the whole of Belgium under German occupation, as well as to the occupied portions of France and of Russian Poland. Direct express trains, with sleeping and restaurant cars, run from Berlin to Metz-Charleville-Mezières. Similar trains run to Brussels and Lille. With a special permit

a civilian can travel there just as he can travel eastward to Lodz. The German timetables tell him when he can reach places as far west as Noyon, Laon, and Chauny. In fact, the organization is such that, notwithstanding the heavy military burden on the railways, one can travel almost as freely and quite as punctually as if there were no war. In certain towns and fortified areas your passport may be required, but that is all.

Even in the time-tables the note of confidence is apparent. The red "Koenig" still appears with its old dimensions. summer edition gives all the ordinary peace trains, but marks with a black circle those which are not running on account of the war. An explanatory introduction states that: "In the light of experience, and in view of the favourable development of the military operations, the restoration of many trains temporarily withdrawn must be reckoned upon. Such trains are, therefore, included in the time-table." The introduction ends with an expression of the hope that "in a not too distant future our Fatherland may attain a glorious peace, under the protection of which railway traffic will soon regain its previous proportions."

XV

THE SUPPLY OF GOLD

Gold Gathering-Inconvertible Paper

TO the superficial observer money seems plentiful in Germany. Enormous masses of notes are in circulation, and of late the authorities have largely increased the number of silver and nickel coins. No gold is to be seen; but in this the German people finds nothing very exceptional. The Germans are used to paper and do not distrust it even when it is over-abundant.

Moreover, the possibility of doubt has been dispelled by the propaganda carried on under the auspices of the authorities. Much of the later war literature deals with financial, commercial, and industrial questions. A large proportion of the scientific and popular lectures for the "information" of the public deals also with these matters. The basis of the propaganda is that, apart

from the actual military operations, the most effective means of obtaining victory is proper economic organization. The main object of this organization, as of the actual fighting, is the destruction of the power of England.

The Germans were at the outset well aware of the economic power and resources of the British Empire. Consequently, with their usual thoroughness, they made a careful survey of their own reserves of economic strength. They rapidly organized their machinery and put it in motion. The result is a remarkable financial edifice which, according to its builders, will outlast even Mr. Lloyd George's final hundred millions. In reality, as a writer in "The Times History of the War" observed last September, "the only real basis of the whole business is confidence in the success of German arms."

Whatever its character and destiny, this edifice is certainly unique in the economic history of the world. German financial writers vie with each other in extolling it as a creation vastly superior to the financial system of other countries, and Dr. Helfferich, one of the most adroit German financiers, formerly of the Deutsche Bank and now Finance Minister, has done his best to persuade his countrymen that they are

financially much better off than England. I heard highly-educated people speak with glee of the lamentable state of British finance, not to mention the approaching bankruptcy of her Allies.

The entry of England into the war involved the prospect that Germany would soon be cut off from the world's markets, and would be unable to pay for the bulk of imports save in gold. It is significant that during the months preceding the war the German authorities had already drawn much gold into the country. Those who studied the efflux of gold from London at that time were puzzled by the constant movement of bullion towards the Continent. Its destination was then held to be Russia. A prominent German banker told me it was not—and he probably knew.

As has frequently been explained, the Imperial Bank set at once to work to gather to itself all the gold coin in the country. According to the Bank records, Germany had up to the end of July 1914 coined £256,500,000 in gold, of which much had been melted down for industrial purposes. Some had gone abroad. The Bank estimated the coined gold actually in the country on the outbreak of war at rather

less than £200,000,000. The Bank itself held £76,400,000 of gold and silver. The total circulation of money, including coin, bank notes, and Treasury notes, was estimated to be about £325,000,000 sterling.

It was through the private banks and the big industrial concerns that the Imperial Bank chiefly worked; but when the supply from these sources ceased a general gold propaganda was organized throughout the Empire. School-children were extensively used to gather gold coins from their parents. It is said that in the secondary schools of Berlin more than £50,000 were collected. Similarly gold rings and other gold objects were gathered in by appealing to the patriotism of the people. This particular wave has already passed, but it was very effective while it lasted.

While on the one hand the Bank thus garnered gold it was on the other relieved of its obligation to pay gold in exchange for its notes. The urgency of this measure was shown by the run on all kinds of banks that occurred between the Austrian ultimatum to Serbia and the German declaration of war. During that period the Imperial Bank lost nearly £10,000,000 in gold, while its note circulation was increased, in a single

week, by some £51,000,000. There were many failures among the smaller banks. Gradually, however, things were righted. At the end of the first week in August the gold holding of the Imperial Bank had risen to £73,800,000, as compared with £62,650,000 on July 31st. "On August 15th it had risen to £75,450,000—increases explained by the transfer to the Bank of the War Treasure from the Julius Tower at Spandau, amounting in all to £10,200,000 in gold, besides £1,750,000 in Treasury notes and £350,000 in silver coin. Week by week up to the end of November the influx of gold to the Bank varied between £1,500,000 and £2,500,000. The greater part came from the gold coin in circulation. There is no evidence that any considerable amount came at that time from the gold reserve of the Austro-Hungarian State Bank. Such gold as the Bank paid out went mainly to neutral countries in payment for goods. The amount varied between £500,000 and £1,000,000 a week during the earlier stages of the war.

Since the beginning of the present year the influx has fallen off, and has now become almost insignificant. During the week ending May 15th it was only £140,000; on May 22nd it was £110,200; and on May 31st only £54,750. On May 31st the gold holding of the Bank was returned as £118,972,750, as compared with £62,650,000 on July 31, 1914. Thus it is evident that the supply of gold in the country outside the Bank is nearly exhausted. At the same time, it is probable that with the progressive economic isolation of Germany the outflow of gold will also decrease, though in this connection it must be noted that many foreign payments have been made by exporting American and other foreign securities held in Germany. How great this amount may be there are no means of ascertaining.

An indication of the financial position of the country can only be obtained by comparing the stock of gold with the various issues of paper. On July 23rd, when the Austrian ultimatum was launched, the note issue of the Imperial Bank amounted to £94,000,000. With two exceptions, connected with the War Loan operations, this total has constantly risen. On May 31st it reached nearly £266,000,000 sterling. Thus, while the gold holding of the Bank has been nearly doubled, its own note issue has increased by nearly 300 per cent. Alongside of it there has grown up a state of things such that even the large payments

made in respect of the last War Loan have given the Bank little relief from its liabilities. The weak points of the financial structure are beginning to appear, though few notice them as yet.

The Imperial Bank is legally entitled to issue notes up to three times the amount of its holding in gold and Treasury bills. As is known, the Imperial authorities created at the beginning of the war another means of extending the note circulation. An "Imperial Loan Fund" was instituted to relieve the Imperial Bank. Its headquarters are in Berlin, and it has 150 branches. It was authorized to lend paper money on marketable securities and on non-perishable goods, such as sugar, timber, nitrates, etc.

All kinds of securities, even shares quoted on the Stock Exchange but not accepted by the Imperial Bank as collateral "cover," are accepted by the Imperial Loan Fund. The maximum total it is entitled to lend has recently been raised from £75,000,000 to £150,000,000. By the end of 1914 it had lent some £66,000,000. This amount has lately increased considerably. Securities are accepted up to 75 per cent of the last Stock Exchange quotation. The paper money thus issued is different from the notes of the Imperial Bank, and from those of

the Imperial Treasury, but they circulate freely as money, particularly in the small denominations of 1, 2, and 5 marks. The Empire is responsible for them, and this circumstance, together with the goods that serve as security, has been regarded as entitling the Imperial Bank to accept them as "gold" cover for its notes. Consequently, the Imperial Bank can issue three times as many notes as the amount of the Imperial Loan Fund notes in its possession. Hitherto this facility seems to have been little used; but the fact that the facility exists opens up a wonderful vista of pseudo-financial possibilities.

The marvellous attributes of the Imperial Loan Fund do not end here. A man who holds shares or other securities he cannot sell may obtain from the Imperial Fund a loan up to 75 per cent of the pre-war quotations of those securities. With this amount he can subscribe to the War Loan. When a second War Loan comes he can subscribe to it on conditions still more favourable, and may use his holding in the first War Loan as security for raising from the Imperial Fund the amount of his second subscription. There is no reason why this operation should not go on ad infinitum-or until defeat in the field brings the whole artificial structure crashing to the ground.

XVI

THE CREDIT SYSTEM

Your Money or your Life—War Credit Banks— Nemesis in Sight:

DEFORE the war Germany seemed to be The most progressively prosperous country in the world. Not a book but a library would be needed to describe the foundations on which her fabric of world-wide trade was reared. Hardly had Germany been unified and the Empire constituted, when the banks set methodically to work as pioneers of trade and industry. No other country can show a like record of economic purposefulness. The system of credit evolved by the banks for the encouragement of enterprise was the framework of the whole achievement. Without that system Germany could not have risen to the position of an industrial and commercial world-Power. True, it had its drawbacks. At moments of stress its frailty was often revealed, no

matter whether crises were due to economic factors or arose from political conditions.

In foreign countries the close connection between German foreign policy and German business has rarely been understood. German bankers, traders, and manufacturers habitually worked with what seemed a dangerously narrow margin of capital and credit. As the supply of German capital was insufficient for the rapid extension of German enterprise, foreign capital was constantly borrowed -and used to bolster up a system designed to compete with the leading countries. When, as in 1911, international complications caused that capital to be withdrawn or withheld, the whole credit system of Germany received a severe shock. some of the more adventurous banks failed, with disastrous consequences to customers and investors. Such mishaps aroused anger in Germany. The feeling that it was intolerable that "decadent" countries like France should have more than enough capital, while go-ahead Germany was obliged to borrow it, lay behind the threats often made by German financiers and industrialists that, unless France freely lent her money, the armies of Germany would go to Paris and fetch it.

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Similarly the prospect that Russia would decline to renew the unfavourable commercial treaty which Germany had extorted from her during the Russo-Japanese War influenced the attitude of both German diplomatists and business men towards the eventuality of a European conflagration. It has been said that a kind of tacit pact existed between the German Army and the German business world. "Make us strong and we will make you rich," declared the men of the sword to the men of the countinghouse and the factory. It was only after the attitude of France in the Morocco crisis of 1911 had proved that the sword of Germany, or, rather, the threat of using it, was no longer a business asset that the prospect of a European war came seriously within sight. Germany, as a business community, saw that unless the German credit system, which had been based upon the military triumphs of 1870-1, could be reinforced by fresh victories it might collapse, or, in the best event, have to be placed on a sounder footing. In other words, unless Germany was to be reduced to the position of having to arm, manufacture, and trade within the limits of her own resources, the rest of the world would need again to be taught the danger of resisting German economic demands backed by the German sword.

The great test of the German system came with the outbreak of war. At first public confidence in the banks was severely shaken. The run on the banks, the withdrawal of hundreds of millions of marks, and the frantic realization of securities revealed the danger that threatened the whole structure of credit. Everybody seemed to doubt the solvency of his neighbour; no one could foresee what the next few days would bring forth. The leaders of the financial world were themselves very anxious. During the first weeks of the war, trade and commercial traffic were practically at a standstill, such commodities as were sold being sold for cash. Bank-notes were almost everywhere regarded with suspicion, if not actually refused. Ruin seemed to stare the business community in the face. The banks paid out paper money to depositors, but commercial credit was suspended.

Not until the German armies had advanced through Belgium into France did confidence begin to return. Even then doubt and caution ruled where credit had formerly been freely given. A number of industrial and

commercial companies warned their customers not to count upon credit. Though the banks did not as a rule demand repayment of pre-war advances, they made no fresh advances except for the payment of wages and other pressing needs for the actual carrying-on of businesses. Some months passed before these restrictions were relaxed, and trade suffered severely. At last the authorities devised means of meeting the situation and of adapting industrial and commercial life to the new conditions.

Reference has been made in a former chapter to the war organization of industrial and agricultural credit. Another step was the establishment of the Imperial Loan Fund, some of whose functions have already been described. The suppression of official transactions on the Stock Exchange and the cutting-off of imports and exports made it imperative to create for the holders of securities and of goods some possibility of transforming their belongings into liquid capital. This was one of the main objects of the Imperial Loan Fund. The fund, however, could only give credit upon securities or commodities. Such credit was plainly insufficient. Another class of war credit banks was therefore founded. Their prototype was the Berlin War Credit Bank, established by the other big Berlin banks, which subscribed a third of the capital, and by business firms which supplied the other two-thirds. The Imperial Bank is represented on the board of directors and has given the War Credit Bank a discount credit now said to amount to £10,000,000 sterling. As the War Credit Bank has been constituted to promote public welfare, its maximum dividend is fixed at 4 per cent. After the war, surplus profits are to go to the relatives of men who have fallen in the field.

War Credit Banks of this kind now exist in most of the Federal States. Their principal function is to provide the public with personal credit. They grant loans upon notes of hand endorsed by two or more other persons. This personal credit is now extensively used. It will in the long run probably prove to be a two-edged sword.

Besides these institutes there are large numbers of war credit banks in which municipalities and local districts are interested. Their chief object is to support the middle classes and the smaller trades during the war. Other specialized institutes do a class of business more strictly defined. Thus there is a Life Insurance Mortgage Bank, which grants loans not only to holders of life policies but also to the insurance companies, whose resources have been strained by the numerous claims arising out of the war and are not in a position to realize their assets. There are special loan banks which lend money on the second and third-class mortgages, provided the owners of the mortgages can prove that their wants are due to the war. These loans are granted up to one-fifth of the amount of a mortgage. There are further special institutes of credit for theatrical enterprises and for other professions whose members are suffering from the war. In short, the country is covered with a network of institutions organized on a large scale to meet the needs of the population-except, perhaps, those of the working classes, who, however, have credit arrangements of their own. Nothing has been overlooked and no means neglected of upholding credit within the country.

If, despite this organization, difficulties are again increasing, it is clear that something must be wrong. In less than a year Germany has fallen from the position of a prosperous competitor on the markets of the world to that of an all but isolated community which is rapidly consuming not only

its accumulated, but also its productive, wealth. Inside and outside Parliament pressure has lately been put upon the Government to widen the sphere of credit for the trading lower classes, and it appears that the larger manufacturing and trading concerns are in straits. They are relying more and more on advances from Government Departments. Not only are the banks overloaded with paper securities, but businesses, large and small, are burdened with heavy amounts of War Loan and other paper.

It may seem strange that these difficulties have not yet had any real influence upon public confidence. The explanation is that though the people may have lost faith in a really overwhelming victory, they not only hope but believe that the enemies of Germany will have to pay for her losses. To my surprise I found this view expressed even in the banking world. One well-known banker admitted that the German war loans already amount to £725,000,000 sterling, carrying an annual interest of £33,000,000. "There will," he said, "be more war loans, but our enemies will pay it all back."

This optimism is not shared by the highest financial authorities. Their confidence is less marked. The president of the

Berlin Handelsgesellschaft, one of the strongest German banks, made a significant remark when referring to a special reserve called "War Burden and War Damages Reserve," which his bank had put aside. He explained that it had been created, not for the war, but for the peace, "because it is impossible to know what peace will bring." Another leading financier said that the value of securities and other assets had been so written down that further losses seemed inconceivable. "But," he added, "it is better not to prophesy until peace has actually been signed."

These are the men most intimately acquainted with the details—and the dangers—of the enormous edifice of credit erected by Germany for the purposes of the war. Deep in their minds seems to lie the conviction, as yet unexpressed, that unless the worth of the German sword—the security on which the future of the whole nation has been mortgaged—is fully realized by sweeping victory on the battlefield, the first result of the struggle will be an economic catastrophe the like of which the world has never seen.

XVII

CONCLUSIONS; AND A CONTRAST

Premature Mafficking—Views of the War— A Comparison

Land trying to fuse my impressions and experience into a single image, I seem to see a huge centrifugal machine flinging forces outwards. The longer it works and the higher the velocity of its gyrations, the more is the centre depleted and the more intensely are the forces crowded along the circumference. There they batter furiously against the walls—the military frontiers.

Between the centre and the circumference there are many eddies and cross-currents, which become apparent on close investigation. But they are scarcely visible in the uniform movement set up by the pressure of the machine. The centrifugal forces may break through the containing human barrier and extend their radius of action. They

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may also make but a narrow breach and cause a leakage. Both of these things have happened. In any case, the working of the machine is attended by continual and terrible consumption of energy, not only by the machine itself, but by the wastage, that cannot be replaced, among the units of force which it drives outwards.

Consequently there are two limits to the working of the machine. It will slacken down when it can no longer be fed with enough units of force or when the supply of central energy itself gives out. Both these factors come simultaneously into play. These are, so to speak, the physics of the problem. Mental factors hardly count. They are included in the machine itself, and are inherent in its origin and purpose.

Against such a machine only well-organized material forces can prevail. True, the machine itself may suddenly break down, in spite of its wonderful elasticity. A reverse may throw it temporarily out of gear. As yet there are indeed few signs of such a contingency, but, occasionally, indications are visible of the way the protracted tension is telling. One such indication has already been reported in England, but I doubt whether its significance was fully understood.

One morning the Chief of Police in Berlin was ordered by headquarters to have flags hoisted in celebration of an important victory. No details were given; it was understood merely that the victory had been won on the Galician front. Flags flew everywhere; the school-children were given a holiday after patriotic lectures from their teachers; and the Press briefly announced a great triumph, without details. Relief from the strain of waiting, month after month, for a victory that never came, resolved itself into excitement. Berlin went wild with joy.

At the time I was staying at an hotel in a provincial town. In the early afternoon the landlord rushed into my room, saying that the Germans had beaten the Russians in Galicia, and had taken 110,000 prisoners. I heard bands playing in the streets, and saw schoolchildren carrying the German and Austro-Hungarian flags in procession. The people crowded the central thoroughfares. Two hours later the landlord came again. He said he must tell me at once. The prisoners taken numbered 160,000, together with 25,000 horses, 481 guns, 441 machine-guns, and 35 armoured trains. Tears streamed down his cheeks as he related these wonderful figures: I went out into the street. The church

bells were ringing peals of joy, and national airs were everywhere played and sung. The shop windows contained placards quoting the figures I have mentioned on the authority of the official Wolff Bureau. The hysterical excitement of the crowds which filled the roadways, the cafés, and the restaurants, struck me as a sudden reaction from long pent-up anxiety, from disquietude carefully hidden, from hardship and mental strain. It was as though the mental balance of the people had suddenly collapsed after having been artificially maintained. Excitement grew into disorder. The police were compelled to intervene, and many arrests were made for grober Unfug (gross impropriety). Next morning the local papers published the official report of the victory, which said that the Russian lines had been pierced and some 30,000 prisoners taken. The effect was painful. It was accentuated by the homilies of the Press upon the wrongfulness of being betrayed into un-German excesses by reports of victory.

These scenes occurred in most of the towns throughout the Empire. When sad sobriety returned, inquiry was made into the origin of the exaggerated statements. I was told that they came in the first place from Essen, and that there had been a "certain liveliness" on the stock exchanges. Nothing more was heard—perhaps wisely.

In these circumstances it is easy to understand the German need for constant reports of victory and for the denial of unfavourable news. The state of mind of the German people during the war will presently be an interesting field of investigation for students of popular psychology. Attention should then be paid to the singular contrast between the ideas prevailing in the comparatively limited pan-German circles and those of the people in general. The German people as a whole are unable to conceive that their country should have cherished aggressive designs. As I have said, the "intellectuals" regard the war as mainly "preventive," as a war that might have been postponed but that was bound to come. Germany, they argue, could not have afforded to let her enemies become overwhelmingly strong.

But for the masses it is a purely defensive war, "brought about by a wanton attack of jealous foes upon the most peaceful country in the world. Had not the Kaiser kept the peace throughout his reign? The names of Bernhardi, Frobenius, and others are simply unknown among the masses. Some people

may remember that the Crown Prince congratulated Frobenius on his book, but they know nothing of the existence of any reason why the world should have believed in German aggressiveness. Bernhardi's books are not to be found among the war literature in the bookshops. Germans were utterly astonished to hear of the influence and circulation of his writings abroad and of the way in which the war had proceeded at first along the lines he had indicated. This ignorance extends even to the cultivated classes.

These sidelights on some aspects of the German mind are not without importance in considering the working of the German war machine. The people are inspired by a uniform sense of what is needful and by faith that their cause is absolutely justified. They take their losses as a kind of religious sacrifice and trust in the future. They themselves "do their bit" by giving up every luxury and some necessaries, by avoiding all waste, and by preparing to endure. Whether this retrenchment be born of necessity or be prompted by the spirit of self-sacrifice, the result is the same. It enhances the power of the country to conduct the war with the utmost efficiency.

Yet the losses are beginning to tell. The

inferior stature and stamina of the new levies is noticeable. The numbers are still there, but the quality is not the same. Where the Germans score, apart from their actual military organization, is in their general spirit of economy and in their concentration of national energy upon the successful prosecution of the struggle.

The contrasts between Germany England are striking and instructive. such is afforded by a comparison of the wide and fertile lands of England where grass is grown, and broad parks stretch for miles in wonderful summer beauty, with the sandy soil of Brandenburg, where one travels, mile upon mile, through well-cultivated fields, covered with green wheat and rye, and where old folks and children plant every spare foot of ground with potatoes. This is an object-lesson in waste and economy, in the absence and presence of control of national energy and in the subordination of everything to the needs of the war.

But there is also another contrast—that between the great store of young men everywhere to be seen in England, and the absence of young men from civilian life in Germany. Equally great are the possibilities suggested by the enormous material wealth of England.

IN GERMANY TO-DAY

In England I do not feel that the whole sum of national strength is straining out towards the periphery, nor an I conscious that the nerves of England quiver over-sensitively at the sound of every vaice from the front. There seems to be in England an unlimited fund of energy in reserve for the continuance of the struggle. There is, moreover, the same determination as in Germany—though it works on somewhat different lines.